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## Economic Commission for Europe

Executive Committee

### Centre for Trade Facilitation and Electronic Business

Twenty-first session

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Item 2 of the provisional agenda

**Matters arising since the twentieth session**

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### Note by the Secretariat<sup>1</sup>

*Summary*

The secretariat will report on matters arising since the twentieth session.

This document is for noting.

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<sup>1</sup> This documents was submitted late due to resource constraint.



## **I. UNECE Executive Committee**

### **A. Reporting arrangements for UN/CEFACT**

1. The UNECE Executive Committee (EXCOM) report on the “Outcome of the review of the 2005 reform of ECE”, approved by the sixty-fifth session of the Economic Commission for Europe on 10 April 2013 (Document E/ECE/1468), stipulated that UN/CEFACT should continue and strengthen its standard-setting activities under the overall guidance of EXCOM and that “at the end of 2014 EXCOM may decide, after evaluation, whether it is desirable for UN/CEFACT to report to the Committee on Trade.”
2. Discussions at EXCOM regarding the reporting line for UN/CEFACT were still ongoing at the time of preparation of this report.

### **B. Procedures for Election of UN/CEFACT Chair**

3. The EXCOM during its 67th session decided to establish an EXCOM contact group for UN/CEFACT, to provide liaison with the UN/CEFACT Bureau/Chair. Within this framework, the secretariat requested that the Contact Group review the election procedures for the UN/CEFACT Chair. The final election procedures for the UN/CEFACT Chair were sent to Member States in December 2014 and reflected the views of the EXCOM Contact Group.

## **II. World Trade Organization Trade Facilitation Agreement**

4. The World Trade Organization (WTO) reached a Trade Facilitation Agreement (TFA) at the 9<sup>th</sup> WTO Ministerial Conference in Bali, Indonesia, in December 2013. The decision on the Protocol of Amendment to insert the TFA into the Annex of the WTO Agreement should have taken place by 31 July 2014 but this did not materialise due to a lack of consensus amongst WTO Members. This hurdle was overcome in November 2014 when the WTO General Council adopted the above mentioned Protocol of Amendment, clearing the way for the TFA to be implemented. WTO Members must now ratify the Agreement in accordance with their own domestic procedures.
5. The potential economic benefits of the Agreement are significant. Estimates prepared for the UNECE by the Organization for Economic Cooperation and Development (OECD) indicate that the potential reduction in trade costs between UNECE countries and the Rest of the World from a “full” implementation of the WTO Trade Facilitation Agreement would be around 13.2%. If UNECE countries limit themselves to the mandatory provisions of the agreement, the potential reduction would reach 11.5%. This scenario reveals significant opportunities for countries in this region.
6. In addition to the economic benefits, the WTO TFA will have a very positive impact on the work of UN/CEFACT as it provides a legal framework for implementing specific trade facilitation measures and, importantly, greatly enhances the political will for this implementation.
7. Another important feature of the new WTO TFA, from a UNECE perspective, is the explicit addition of the UN Regional Commissions to the list of support organizations specified in the Agreement – the so called Annex D Plus group of organizations which

includes the World Bank, World Customs Organization, UNCTAD, ITC, OECD and the UN Regional Commissions.

### III. Outreach and Support Services

8. In order to ensure that UN/CEFACT Recommendations and Standards are, to the maximum extent possible, utilised in the implementation of the WTO TFA, UNECE, in close cooperation with other key international organizations and the other UN Regional Commissions, will assist countries to implement the Agreement. A joint statement to this effect was issued by the UN Regional Commissions along with the other international organizations in June 2015<sup>2</sup>.

9. UNECE has received numerous requests from countries and other international organizations for assistance in supporting the implementation of the WTO TFA, especially in areas related to UNECE Recommendations and Standards. UNECE's approach to such requests is to partner with the other international organizations, particularly the WCO, UNCTAD and ITC, and to secure extra-budgetary resources, where possible, in order to delivering support and outreach services. The limited staff resources available for such activities remains a concern (see Section IV below).

10. UNECE and the other UN Regional Commissions have many tools to offer WTO member States in this regard, including:

- The Trade Facilitation Recommendations and Standards developed by UN/CEFACT;
- The UNECE Trade Facilitation Implementation Guide (TFIG)
- The Network of Experts for Paperless Trade (UNNEXT),
- The Joint UN Regional Commission Approach to Trade Facilitation

Selected developments in the above areas are presented below.

#### A. Trade Facilitation Implementation Guide

11. The UNECE Trade Facilitation Implementation Guide (TFIG) is an online knowledge management and training tool to help countries simplify and harmonize cross-border trade procedures and information flows. It contains details of major trade-facilitation instruments and tools and links to external references and information sources from all key international organizations involved in trade facilitation. The Guide is available in English, French, Russian and Spanish, and will be available in Arabic in early 2015. The project is funded by the Swedish Development Cooperation Agency and is implemented by the secretariat with support from UN/CEFACT.

12. Since its launch at the WTO in September 2012 by the Swedish Ambassador to the WTO, use of the Guide has grown exponentially and it has become a major reference resource for trade facilitation policy makers and implementers around the world. The TFIG Website platform now receives half a million hits per month and has received over 3.5 million hits from 169 different countries in the first 10 months of 2014. The Website received 132,000 unique visitors in the last two years.

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<sup>2</sup> [http://www.wto.org/english/news\\_e/news14\\_e/tfjointstatment\\_e.pdf](http://www.wto.org/english/news_e/news14_e/tfjointstatment_e.pdf)

13. UNECE is in discussions with Sida for additional support to further develop the Guide, with a particular focus on helping developing countries to implement the WTO TFA and also to engage in broader trade facilitation planning and reform.

14. The UNECE is very grateful to Sida for its strong support to TFIG and also to the Inter-American Development Bank and the International Islamic Trade Finance Corporation for funding the translation into Spanish and Arabic respectively.

## **B. Support for Implementation of the Greek Trade Facilitation Strategy and Roadmap**

15. During the past year, the secretariat continued to work with the Greek Government and the European Commission Task Force on Greece (TFGR) to help implement the Greek trade facilitation strategy and Roadmap, developed in 2012 (with the support of the UNECE secretariat). The Roadmap<sup>3</sup> contains 25 strategic reform activities that aim to reduce time to export by 50% and costs by 20% by 2015, thus leading to a 10% increase in the value of exports, a 1.7% increase in GDP and creation of 80,000 new jobs.

16. Over the past year the work has focussed on the reform of customs procedures (in collaboration with the World Customs Organization), electronic data management systems, study tours to France and Spain to develop the skills of Greek Agricultural inspectors and exporters, business process analysis to understand bottlenecks in export procedures, and information exchange on the facilitation of procedures.

17. Throughout the period of the project (2012-2014), major improvements in Greek Export Competitiveness have been realised. Greece has improved its ranking in the recently published World Bank Doing Business study from position 84 in 2012 to 48 in 2014 and time to export was reduced from 25 days to 14 days. The competitive position of Greece in the World Bank Logistics Performance Index has improved for Customs by 52 positions, from 94 to 42 over the period.

18. This UNECE technical cooperation project will finish in January of this year. UNECE is fully committed to continue supporting the trade facilitation reform programme in Greece and will consider all requests from the Greek Government or the European Commission to provide support, expertise and advisory services on a case by case basis and subject to available resources.

## **C. Regional advisory services in 2014-2015**

19. Ukraine, notably: the Port Community System (Local Single Window) in Odessa (see [www.singlewindow.org](http://www.singlewindow.org)); a national Trade Facilitation Strategy; support to the Ukrainian national trade facilitation body; and other projects. He organized a seminar in Odessa and two training events for policy makers and experts on the UNECE Trade Facilitation Guide and provided a series of advisory services. The results from these activities included: (a) an operational port community system in the ports of the Odessa region; (b) an inter-agency, public-private national trade facilitation body (working group), which has held 16 meetings; (c) a draft national trade facilitation strategy which is being discussed by the Government.

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<sup>3</sup> [http://www.mindev.gov.gr/wp-content/uploads/2012/06/Greece\\_Trade\\_Facilitation\\_Strategy\\_Roadmap\\_Oct-2012.pdf](http://www.mindev.gov.gr/wp-content/uploads/2012/06/Greece_Trade_Facilitation_Strategy_Roadmap_Oct-2012.pdf)

20. The Regional Adviser continued managing the Russian contribution project on trade facilitation and the Single Window for the three countries of the Customs Union: Belarus, Kazakhstan, and the Russian Federation. The deliverables of this project in 2014 are as follows: a draft strategic plan to develop an enabling environment for the Single Window in the three countries endorsed by the Presidents of the three countries; in cooperation with the Eurasian Economic Commission (EEC), the finalization of the study on the use of international standards (including those of UN/CEFACT); and capacity building of experts and policy-makers on implementation of the Single Window and other trade facilitation instruments, as a result of four capacity building activities, two of which were supported by UN/CEFACT experts, including two Vice-Chairmen of UN/CEFACT.

21. The Regional Adviser organized several trainings and advisory missions, including:

(a) Training on the implementation of trade facilitation measures (notably in the WTO TF Agreement) and developing a regional TF strategy in the Black Sea region;

(b) Advisory services in support of new Single Window projects in Uzbekistan and Armenia;

(c) Three trainings events based on the Trade Facilitation Implementation Guide for several transition economies including Kazakhstan, Kyrgyzstan, Tajikistan, Ukraine, as well as Afghanistan;

(d) Other capacity-building and advisory missions with a range of development partners including UNDP, UNCTAD, the European Commission, the Eurasian Economic Commission, USAID, SIDA, and others.

#### **IV. Secretariat Resources**

22. As stated in Section III above, UNECE resources to assist member States with implementation of the WTO TFA are severely limited. This follows from the transfer in 2012 of two posts (one P4 and one P2) from the Trade Facilitation Section's capacity building Unit to the UNECE Transport Division and the internal reallocation of another P4 post to standards development.

23. Responding to this scenario, and following the direction from EXCOM that "Capacity building and technical assistance activities to help countries in the region to implement standards developed under the (Trade) sub-programme may be decided by EXCOM, if they are financed from extra-budgetary resources, demand-driven, results-oriented, time limited and closely coordinated with other international actors, such as the World Trade Organization (WTO), United Nations Conference on Trade and Development (UNCTAD) and International Trade Centre (ITC)", the Trade Facilitation Section has further strengthened its relationships with the above organizations and has worked based on extra-budgetary resources secured from the European Commission and member States.

24. However, extra-budgetary projects and partnerships require the management, oversight and participation of regular budget resources (i.e. staff) that are simply not available. In order to ensure that UN/CEFACT Recommendations and Standards are properly positioned in the emerging market of trade facilitation, member States may wish to consider providing the UNECE's Trade Facilitation Section with extra budgetary funds (that include staff for project management and implementation) for specific trade facilitation outreach initiatives. In addition, member States could nominate Junior Professional Officers (JPOs) to work with the Trade Facilitation Section in outreach and support.